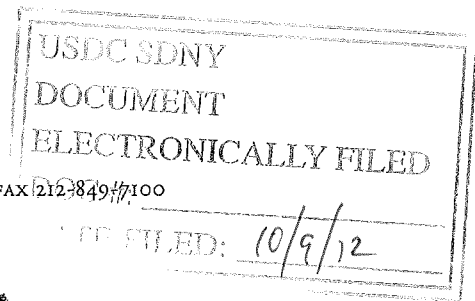


quinn emanuel trial lawyers | new york

51 Madison Avenue, 22nd Floor, New York, New York 10010 | TEL 212-849-7000 FAX 212-849-7100



MEMO ENDORSED

WRITER'S DIRECT DIAL NO.
(212) 849-7260

WRITER'S INTERNET ADDRESS
philippeselendy@quinnemanuel.com

October 5, 2012

VIA HAND DELIVERY

The Honorable Alvin W. Thompson
Chief United States District Judge
United States District Court
District of Connecticut
450 Main Street, Suite 240
Hartford, Connecticut 06103

VIA ELECTRONIC MAIL

The Honorable Denise L. Cote
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 1610
New York, New York 10007-1312

Re: FHFA v. Royal Bank of Scotland PLC, et al., No. 3:11-cv-01383 (AWT)
FHFA v. UBS Americas, Inc., et al., No. 1:11-cv-5201 (DLC)

Dear Chief Judge Thompson and Judge Cote:

We write on behalf of the Plaintiff Federal Housing Finance Agency ("FHFA"), as Conservator for the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), regarding the above-captioned action (the "RBS Action") pending before Chief Judge Thompson.

On August 17, 2012, Chief Judge Thompson granted FHFA's motion to commence discovery in the RBS Action in the District of Connecticut. Currently, FHFA is also the plaintiff in sixteen other actions pending before Judge Cote for coordinated pretrial discovery in the Southern District of New York (the "S.D.N.Y. Actions"): The S.D.N.Y. Actions, like the RBS Action, concern Fannie Mae's and Freddie Mac's purchases of residential mortgage-backed securitizations from the defendants based on offering documents that contained numerous misrepresentations and omissions.

quinn emanuel urquhart & sullivan, llp

LOS ANGELES | 865 South Figueroa Street, 10th Floor, Los Angeles, California 90017 | TEL 213-443-3000 FAX 213-443-3100
SAN FRANCISCO | 50 California Street, 22nd Floor, San Francisco, California 94111 | TEL 415-875-6600 FAX 415-875-6700
SILICON VALLEY | 555 Twin Dolphin Drive, 5th Floor, Redwood Shores, California 94065 | TEL 650-801-5000 FAX 650-801-5100
CHICAGO | 500 West Madison Street, Suite 2450, Chicago, Illinois 60661 | TEL 312-705-7400 FAX 312-705-7401
WASHINGTON, D.C. | 1299 Pennsylvania Avenue NW, Suite 825, Washington, D.C. | TEL 202-538-8000 FAX 202-538-8100
LONDON | 16 Old Bailey, London EC4M 7EG, United Kingdom | TEL +44 (0) 20 7653-2000 FAX +44 (0) 20 7653-2100
TOKYO | NBF Hibiya Bldg., 25F, 1-1-7 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan | TEL +81 (0) 3 5510-1711 FAX +81 (0) 3 5510-1712
MANNHEIM | Erzbergerstraße 5, 68165 Mannheim, Germany | TEL +49 (0) 621 43298-6000 FAX +49 (0) 621 43298-6100

We write to propose that discovery in the RBS Action be coordinated with discovery in the S.D.N.Y. Actions before Judge Cote. Since May 2012, Judge Cote has taken an active role in coordinating discovery in the 16 S.D.N.Y. Actions and set a comprehensive pretrial schedule, which includes deadlines for document discovery, expert discovery, motions for summary judgment, and trial. Counsel for the defendants in the RBS Action are already intimately familiar with Judge Cote's discovery efforts as they represent a mutual defendant, RBS Securities Inc., in four of the S.D.N.Y. Actions.¹

Coordination is prudent given the likely substantial overlap between discovery in the S.D.N.Y. Actions and the RBS Action. On October 2, 2012, the parties exchanged initial disclosures in the RBS Action, and 27 individuals identified by Defendant RBS Securities Inc. in the RBS Action as likely to have discoverable information overlap with RBS Securities Inc.'s prior initial disclosures in the four S.D.N.Y. Actions to which it is a party. Likewise, in its initial disclosures, FHFA has identified the same custodians in the RBS Action that it has separately identified to defendants in the S.D.N.Y. Actions. FHFA has also served nearly identical document requests in the S.D.N.Y. Actions and in the RBS Action. In short, much of the discovery in the two venues is certain to overlap. Coordination of discovery would thus allow the parties to avoid duplicative depositions, multiple productions of the same or substantially similar sets of documents, and conflicting discovery obligations across actions.

Finally, it is our understanding that Judge Cote contemplated the potential coordination of the RBS Action with the S.D.N.Y. Actions. During a December 2, 2011, conference, Judge Cote explained that even if the RBS Action remained in the District of Connecticut, she would be willing to "reach out to Judge Thompson" to determine whether Chief Judge Thompson would be interested in coordinating the cases for discovery to ensure "that the burdens on the parties are equally borne." Dec. 2, 2011 Tr. at 41:4-16 (attached as Exhibit A). We believe that coordination between the RBS Action and the S.D.N.Y. Actions would be prudent and efficient in light of Judge Cote's substantial discovery progress in the S.D.N.Y. Actions. FHFA has proposed such coordination to RBS Securities Inc. and the other RBS defendants, which have indicated that they do not consent. FHFA is therefore presenting this proposal for the Courts' consideration.

Our two courts have been in communication about the coordination of these actions. This Court has been authorized by Judge Thompson to instruct the parties before us to submit proposed coordination orders by October 12. The parties should make every effort to reach agreement on the proposed orders. *Janice Cote*

¹ RBS Securities Inc. is a defendant in the following S.D.N.Y. Actions: *FHFA v. JPMorgan Chase & Co.*, 11 Civ. 6188-DLC (S.D.N.Y.); *FHFA v. Nomura Holding America, Inc.*, 11 Civ. 6201-DLC (S.D.N.Y.); *FHFA v. Morgan Stanley*, 11 Civ. 6739-DLC (S.D.N.Y.); and *FHFA v. Ally Fin. Inc.*, 11 Civ. 7010-DLC (S.D.N.Y.). Simpson, Thacher & Bartlett LLP, counsel in the RBS Action, represents RBS Securities Inc. in all four actions.